SECRET

SECURITY FOR COMMITTEES

11 March 1977

MEMORANDUM FOR: Mr. James M. Potts
Chief, Africa Division

Mr. Richard S. Sampson
Chief, Europe Division

Mr. Alan D. Wolfe
Chief, Near East Division

Mr. Richard F. Stolz
Chief, Soviet/East European Division

FROM : John D. Walker
O/SA/DO/O

SUBJECT : Guidelines for Providing Information to the House Appropriations Committee Surveys and Investigations Staff Concerning Foreign Intelligence and Security Services

1. Since members of the S&I Staff will be talking with your Divisions in the near future, it may be worthwhile to review the guidelines as to what may be said concerning relationships with foreign liaison services. In the broad sense, liaison services constitute both a source and a method.

2. We are prepared to discuss the following:

a. The identification and responsibilities of the liaison services in a particular area to the extent that we can draw on sources other than information derived through the established liaison relationship, i.e. overt information or information from penetrations which will not endanger the source.

b. In further describing the liaison services, we can provide information on the objectives, key personnel, strength, budget

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and methods of operations of services provided that such data will be drawn from open sources or penetrations and not from details of liaison arrangements with the services themselves.

c. Agency manhours and funds devoted to liaison with the foreign services.

d. In the case of SIGINT liaison, further details on such arrangements, including the scope of funds and equipment provided to such foreign services.

d. We are prepared to provide general comments on the degree of operational cooperation with the Station. If technical support, for example, provides a useful input, we can state that the liaison service provides technical support, using a qualifying adjective to define, such as excellent, limited, etc.

3. We have no objection to the provision of foreign intelligence reports based on liaison with such services. Source descriptions should be those used in the disseminated report.

4. We will not make available details on liaison arrangements, information on sources and methods of such services which have been obtained through liaison or jointly controlled sources or other information which would reveal Agency sources and methods or violate the trust on which the official liaison relationship is based.

5. The S&I Staff approves close liaison relationships and believes that these relationships are cost effective.

John D. Walker

O/SA/DO/O:JDWalker:kaw (1542)

Distribution
Original - C/AF
1 - C/EUR
1 - C/NE
1 - C/SE
2 - SA/DO/O

Guidelines for Providing Information to Congressional Oversight Committees on Foreign Intelligence and Security Services

These guidelines take into account the fact that foreign intelligence and security services, when acting in connection with the Agency's official liaison with them, constitute both a source and a method and thus require the statutory protection accorded any other intelligence source or method. The guidelines also recognize that the duly constituted oversight bodies of the Congress have expressed an interest in such services and in the general scope, nature and extent of the Agency's relationships with them. The purpose of these guidelines is to provide a formula for dealing with these two sometimes conflicting objectives.

The Agency is prepared to provide, upon specific request, appropriately classified and sanitized information to oversight committees on the following aspects of foreign intelligence and security services:

a. The identification of the governments with whose services CIA has liaison arrangements;

b. Agency man hours and funds devoted to liaison with foreign services;

c. In the case of SIGINT liaison, further details on such arrangements, including the scope of

funds and equipment provided to such foreign services;

d. Information on the objectives, key personnel, strength, budget and methods of operation of such services, provided that such data will be drawn from open sources or penetrations and not from the details of liaison arrangements with the services themselves;

e. Where relevant, foreign intelligence reports based on liaison with such services.

The Agency will not make available to the oversight committees the details of liaison arrangements with foreign services, information on sources and methods of such services obtained through liaison or jointly controlled sources, or other information which would reveal Agency sources or methods or violate the trust on which these official liaison relationships is necessarily based.

In the event of substantial allegations of improper activities conducted by foreign intelligence or security services with which the Agency is presumed to maintain liaison, every effort will be made to provide all relevant facts which bear on such allegations. Where this would involve departure from the above guidelines, the Director will be prepared to meet with the Chairman or Vice-Chairman of the committee to seek a satisfactory resolution of such problems.

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HSC MAT FOR

REVIEW STAFF

75-2014

24 July 1975

SECURITY

MEMORANDUM FOR THE RECORD

Mr. Colby, Mitch Rogovin and Mr. Knoche met with Chairman Otis Pike at 9:30, 7/24 in Chairman Pike's office to discuss groundrules, etc. for the House Select Committee on Intelligence.

Mr. Colby left the following material with Pike:

1. 16 June 1975 Letter to the Honorable Elmer B. Staats Comptroller General of the United States, Signed by Mr. Colby. The letter deals with the GAO's audit of the Central Intelligence Agency. (Attached)

2. Guide to Central Intelligence Agency Statutes and Law dated September 1970 (without the Ryan Amendment on Foreign Intelligence). (Filed in 6D0120)

3. Three Groudrules papers: (Attached)
   --Agreements To Be Sought By the DCI With Chairmen of the Select Committees

   --Secrecy Agreement

   --Guides for Protection of Classified Information And Documents Furnished The Select Committee

4. 11 March 1975 Letter from Colby to Senator Church. (Attached)

Rosemarie R. Hesterberg

SECRET

Checklist for DCI Discussion with HSC

1. Your intent to be cooperative and forthcoming.

2. Your responsibility to protect S&M. Will need HSC understanding of particularly sensitive matters:

   --names of agents and sources.

   --names of cooperating American organizations and contacts to whom we have pledged confidentiality.

   --material from foreign liaison.

   --sensitive intelligence methods and techniques of collection.

3. Will need to work out security groundrules.

   --Chairman of USIB Security Committee and CIA Director of Security available to help work out custodial arrangements, compartmented clearances, etc.

4. Importance of secrecy agreements. Your willingness to suspend them to permit testimony by current and ex-employees.

5. Will confirm with a letter and an employee bulletin which can be used by HSC in dealing with Agency witnesses and interviews.

24 July 1975

Classified by 014359
Exempt from general declassification schedule of E.O. 11652 exemption schedule 5B (1), (2), (3)
Automatically declassified on Date Impossible to Determine

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AGREEMENTS TO BE SOUGHT BY THE DCI WITH CHAIRMEN OF THE SELECT COMMITTEES

1. It would be desirable if the DCI could secure agreement with the Chairmen of the Select Committees, as has been customary in other Congressional proceedings regarding sensitive matters, that:

(a) Departments and agencies shall have the right to request that testimony be given only in executive session, that in some instances testimony be "off-the-record" and that certain testimony be heard only by members and in some cases only by the Chairman and Vice Chairman.

(b) Witnesses be afforded an opportunity to review and comment on and/or correct the record of their testimony prior to any publication of it.

(c) When questioned about intelligence matters that come under the purview of another organization, witnesses should be permitted to state that a response to the question is not properly within their authority and to respectfully suggest that the appropriate party be called to testify on such matters.

2. It would also be desirable if the DCI could secure agreement with the Chairmen of the Select Committees that those agencies furnishing documents to the committees be authorized to excise from those documents, prior to presentation, the names of their personnel under cover or whose personal safety might be jeopardized as well as those of other individuals whose safety or individual privacy may be jeopardized by disclosure. Also excised should be names of sources, operations, specific details of technical devices and systems maintained in compartmented channels and names of organizations cooperating on a highly confidential basis.

3. In view of their susceptibility to foreign countermeasures, it would be desirable if the DCI could obtain agreement with the Chairmen of the Select Committees not to require presentation of details

of the technology of the technical collection programs. It would also be desirable if the Select Committees adopted the use of Compartmented Control Systems to protect documents on these programs and cleared only those staff personnel with an absolute need-to-know. The responsible departments and agencies would be glad to advise and assist in any arrangements the Chairmen would desire in this compartmented area.

4. Further, it would be desirable if the DCI attempt to secure an agreement with the Chairmen of the Select Committees that they will entertain and consider security principles and guidelines which will be provided.

SECRECY AGREEMENT

I, ______________________, in accepting employment or assignment with the Select Committee to Study Governmental Operations with Respect to Intelligence Activities, recognize the special trust and confidence placed in me to protect classified information from unauthorized disclosure.

I hereby agree to accept the specific obligations set forth below as a condition precedent of my employment or assignment with the Select Committee to Study Governmental Operations with Respect to Intelligence Activities, established by the Senate of the United States, Resolution 21, agreed to on January 27, 1975, hereinafter referred to as the Select Committee.

It is my understanding that in the course of my employment or assignment with the Select Committee I will be given access to information from departments and agencies of the Government which is classified in accordance with the standards set forth in Executive Order 11652 of March 8, 1972, as amended. All classified information so acquired by me in the course of my employment remains the property of the United States of America and I further agree to surrender upon demand by the Chairman of the Select Committee or his designee(s) or upon my separation from the Select Committee, any classified material which has come into my possession as a result of my employment or assignment with the Select Committee.

I hereby agree that the burden is on me to determine if information is classified and that I will never divulge, publish or reveal by word, writing, conduct or otherwise any classified information which has come to my knowledge as a result of my employment or assignment with the Select Committee without prior written consent of the Chairman or the President of the Senate or their duly authorized representative.

I hereby agree that any information learned during my employment or assignment with the Select Committee which is related to intelligence and prepared for publication by me will be submitted to the Chairman or the President of the Senate or their duly authorized representative prior to discussing with or showing to any publisher, editor or literary agent for the purpose of determining whether said material contains any classified information as defined in Executive Order 11652. I agree that the Chairman of the Select Committee, President of the Senate or their duly authorized representative has the authority to make the final determination as to whether information is classified and thus should be deleted from the material submitted.

I have been informed of the provisions of 18 U.S.C. 793, 794, 798 and 952; and 50 U.S.C. 783 (b); and 42 U.S.C. 2274; and Executive Order 11652, all of which relate to the protection of classified information, and understand their meaning.

Further, I agree to abide by such rules and procedures as the Select Committee shall institute for the protection of classified material. I understand that any breach of any part of the obligations in this agreement could subject me to legal and/or administrative action.

I further agree that all the conditions and obligations imposed on me with respect to the protection of classified information by this agreement and applicable security regulations apply during my employment or assignment and continue after that relationship has terminated.

I take the obligations set forth above freely and without any mental reservations or purpose of evasion.

____
Signature

____
Date

WITNESS:

____
Signature

____
Date

GUIDES FOR PROTECTION OF CLASSIFIED INFORMATION AND DOCUMENTS FURNISHED THE SELECT COMMITTEES

1. Personnel Security Clearances

(a) Background Investigation

It would be desirable for the Select Committees to stipulate that no staff personnel is to be given access to any classified material, testimony or information received or generated by the committees without prior receipt of a security clearance based on a full field investigation.

(b) Secrecy Agreement

It would be desirable for the Select Committees to require a signed secrecy agreement of employees or individuals assigned to the committees' staffs. The agreement should include provisions:

1) That acceptance of committee secrecy regulations is a condition precedent of employment or assignment;

2) Recognizing US Government property rights to classified information;

3) Requiring prior written consent before divulgence of classified information;

4) For recognition that breach of the secrecy rules and obligations contained in the agreement could subject the signer to administrative and/or legal action under appropriate statutes;

5) That there is no time limit on the terms of the agreement.

2. Physical and Document Security

The Select Committees should adopt rules to insure that the secrecy of any sensitive information received or generated by it be preserved. These rules should be made known to the individuals and agencies who will be called upon to present testimony or materials. Among these should be rules on physical security and document security.

(a) Physical Security

It would be desirable if the Select Committees adopt the following rules related to physical security:

1) All classified material will be stored in safes for safekeeping in the registry of the Joint Committee on Atomic Energy or similar facility and handled in accordance with the regulations of this registry for classified material.

2). Twenty-four-hour guard protection, supplemented by anti-intrusion alarms, should be required on the storage area.

3) Areas selected for use in closed session should be guarded against entry by unauthorized persons.

4) The committees should arrange for the conduct of audio countermeasures to preclude the possibility of unauthorized use of transmitters and/or recording devices. It should be noted that a foreign clandestine transmitter was located in the Rayburn House Office Building on 12 February 1973.

5) At the end of each session of the Select Committees, the hearing room should be examined by a cleared staff officer who will secure any misplaced classified material or waste.

6) Areas should be designated in which classified material can be reviewed. These areas should be secure against access by unauthorized personnel. Material should not be removed from these areas for the sake of convenience except when necessary for the work of the committees and should ~~not be transported~~ overnight to the office or residence of personnel of the committees.

(b) Document Security

1) Committees should select and identify a single location and specific personnel authorized to sign acknowledgement of receipt of classified materials provided to the committees.

2) A system of document control should be established to permit control of classified documents to provide for accountability.

3) Duplication of documents should be controlled so as to require a record of the document reproduced, the number of copies reproduced and the custodian or receiving personnel. Reproduced classified documents should be subject to the same controls as the original.

4) Appropriate arrangements should be made for the destruction of classified waste.

5) Transcripts. The committees should give consideration to the necessity of providing appropriate security in the transcription of testimony by committee transcribers. The committees may desire to charge each agency presenting testimony with this responsibility. In some, if not all cases, this might include escort of materials to the place of transcription, the securing of carbons, waste and notes and the return of the transcribed testimony to the committee for safekeeping in accordance with committee rules.

6) Early agreement should be reached on the disposition of classified materials such as storage under seal in the National Archives. The question of access should be determined by the President of the Senate or the Speaker of the House.

3. Compartmented Information

There is some extremely sensitive information in the intelligence community which is disseminated only to those who have a very strict "need to know" in order to build, perfect, operate or handle the material produced by extremely sensitive foreign intelligence collection programs. The sensitivity of these programs rests upon the vulnerability to countermeasures which a foreign government could easily institute if details of the means of collection became known. Thus, even individuals cleared for Top Secret information do not have access to compartmented information unless they are required to have such knowledge in the performance of their duties. This information is handled in Compartmented Control Systems. It would be desirable if the Chairmen would adopt the Compartmented Control Systems on these extremely sensitive collection efforts and clear only those staff personnel with an absolute "need to know" about such systems, and that documents related to such systems be handled in a compartmented fashion by the Select Committee. The responsible departments and agencies would be glad to advise and assist in any arrangements the Chairmen would desire in this compartmented area.

4. Security Officer

It would be desirable if the committees appointed a security officer with the responsibility of discharging the security rules adopted by the committee and of serving as a point of contact with the departments and agencies of interest to the committee. It would also be desirable if the committee rules required each agency of interest to identify a single point of contact to facilitate provisions of security support required by the committee.

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CENTRAL INTELLIGENCE AGENCY
WASHINGTON, D.C. 20505

Executive Registry
75-2289/B

16 JUN 1975

Honorable Elmer B. Staats
Comptroller General of the United States
General Accounting Office
441 G Street
Washington, D. C. 20548

Dear Mr. Staats:

My attention has been directed to a letter from Mr. Keller, General Accounting Office, to the Honorable William Proxmire dated May 10, 1974, which was placed in the Congressional Record by Senator Proxmire on February 11, 1975. The letter deals with the intelligence community and reviews the General Accounting Office's right to audit and obtain information from the Central Intelligence Agency.

Inasmuch as Mr. Keller has treated a subject basic to this Agency's capability to carry out work mandated by Congress, I believe it would serve a useful purpose to review some of the background concerning the use of confidential funds and their relationship to the audit of CIA over the years.

Mr. Keller notes in his letter that there are "a fairly substantial number of instances where expenditures are accounted for solely upon a certification by the head of the department or establishment involved." The need is clear in the case of this Agency. The necessity to safeguard certain truly vital foreign intelligence secrets has been recognized by the Congress in its direction to the Director of Central Intelligence to protect intelligence sources and methods from unauthorized disclosure. This responsibility was complemented by authorizing certain expenditures "for objects of a confidential, extraordinary, or emergency nature," to be accounted for solely on the certificate of the Director of Central Intelligence. Such expenditures would apply, for example, to a secret agent operating abroad in a hostile climate whose identity must be protected not only so that he can continue supplying the intelligence involved, but also because his freedom--and on occasion his life--weighs in the balance.

Other intelligence activities do not have such obvious security requirements, but are, nonetheless, within the sources and methods concept. Liaison with foreign intelligence and security agencies is extremely important in fields of both positive intelligence and counterintelligence. Such liaisons to be effective depend on the confidence of each service that the other will protect not only the mere fact of the relationships, but also its sources and methods and sensitive information. Compromise of any of these brings not only protests from the foreign liaison service, but in some cases a lessening or even cessation of its cooperation.

EXECUTIVE REGISTRY FILE

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Even overt activities have their own security problems. Thus, many U. S. citizens and others are willing to provide sensitive information to overt intelligence units only on condition that their cooperation in this respect be absolutely protected.

This need for the special protection of intelligence sources and methods has been well recognized by officials in the executive, judicial, and legislative branches of our Government. Mr. Lindsay C. Warren, then Comptroller General of the United States, in a letter dated March 12, 1948, to the Director, Bureau of the Budget, addressed the provision granting the Director of Central Intelligence the power to certify the expenditure of confidential funds by stating that while it provided "for the granting of much wider authority than I would ordinarily recommend for Government agencies, generally, the purposes sought to be obtained in the establishment of the Central Intelligence Agency are believed to be of such paramount importance as to justify the extraordinary measures proposed therein." He went on to say that the "necessity for secrecy in such matters is apparent and the Congress apparently recognized this fully in that it provided in section 102(d)(3) of Public Law 253, that the Director of Central Intelligence shall be responsible for protecting intelligence sources and methods from unauthorized disclosure." Under these conditions, he stated, "I do not feel called upon to object to the proposals advanced ... "

It has been and it remains the policy of CIA to rely upon vouchered funds wherever possible. (Vouchered funds are those which can be accounted for and audited in conformance with the laws that apply to other Government agencies and with standard Government regulations and procedures.) Currently more than half of the Agency's appropriations are disbursed as vouchered funds. The confidential funds certification authority referred to by Mr. Warren in his March 12, 1948 letter is reserved for "objects of a confidential, extraordinary, or emergency nature."

From the beginning of CIA records for all vouchered fund expenditures were made available to and were subject to a voucher audit by the GAO. Use of the voucher audit procedure allowed the GAO to examine expenditure and collection vouchers and related documents to determine whether expenditures were made legally and solely for the objects for which appropriations were made. Use of the voucher audit procedure also allowed CIA to protect those activities of a confidential, extraordinary, or emergency nature, i.e., intelligence sources and methods.

Subsequent to the enactment of the CIA legislation, GAO adopted a "comprehensive audit approach," and raised with the CIA Subcommittee of the House Armed Services Committee the desirability of an expanded audit of Agency activities. The Comptroller General stated by letter dated May 29, 1959 to Subcommittee Chairman Kilday that he did "not recommend any change in section 10 (now section 8) of the Central Intelligence Act" and that "any broadening of our audit activities should not include an evaluation of the intelligence activities of the Agency."

Mr. Allen Dulles, the Director of Central Intelligence, agreed that GAO should expand its current audit activities in a letter to the Comptroller dated October 16, 1959, cautioning, however, that the comprehensive audit would have to be limited so as to remain outside the area of sensitive security operations for which by law the Director's certificate must be deemed a sufficient voucher.

The results of the trial period of comprehensive audit from 1959 to 1961 were made known to the CIA Subcommittee in a letter of May 16, 1961 from the Comptroller General in which he said the GAO planned to discontinue the audit of CIA activities. He acknowledged that various steps were taken by the CIA "to place the General Accounting Office in a position to make a comprehensive audit of the overt activities of CIA." Nevertheless, he stated that GAO "cannot effectively review and evaluate activities of the Support Component because the confidential and overt activities of this component are integrated to such an extent that we cannot make reasonably comprehensive audits." He further stated "we have been given sufficient access to make reasonably comprehensive reviews of the overt activities of the Intelligence Component, but such reviews, in our opinion, will not be productive of significant evaluations because we cannot feasibly evaluate the extent to which needed overt information is available for collection or determine the need for the intelligence information selected for collation and use in the production of intelligence reports." In short, the Comptroller General was recognizing the conflict between the philosophy underlying a "comprehensive audit approach" and the Director's statutory responsibility and authority to protect intelligence sources and methods.

Both the Director and Chairman Vinson, of the House Committee on Armed Services, requested that the Comptroller General continue to audit Agency affairs on a limited basis, but after another trial period the Comptroller General reiterated his earlier view. In a letter to Chairman Vinson dated June 21, 1962, the Comptroller General stated his belief that for maximum effectiveness "it would be necessary for our GAO audit staff to have nearly complete access to CIA activities," and that even to perform reasonably comprehensive reviews would require "complete access to the administrative activities ... that are performed in support of both sensitive and nonsensitive operations of CIA."

Chairman Vinson replied to the Comptroller General on July 18, 1962, stating that, "the restrictions you met within the Central Intelligence Agency are necessary, I believe, for the proper protection of its intelligence activities and should be maintained." The Chairman agreed, however, that in view of the Comptroller General's opinion that a continued audit was not a worthwhile effort, GAO might withdraw from further audit activities in the Central Intelligence Agency.

In summary, I believe that several points are deserving of emphasis in assessing the nature and history of GAO's audit activities with respect to this Agency:

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(a) CIA coope[illegible]ed fully in all respects in exten[illegible]ng administrative support and in granting security clearances and access to information related to vouchered fund activities.

(b) The Chairman of the interested oversight committee in the House of Representatives was fully informed of the nature and status of the activity.

(c) This Agency encouraged GAO to conduct and to continue to conduct its activities consistent with the operational and statutory requirements imposed upon this Agency.

(d) The decision to discontinue the audit activities was made solely by GAO and was approved by the Chairman of the House Armed Services Committee.

Sincerely,

/s/ W. — Colby

W. E. Colby
Director

Distribution:
Orig - Addressee
1 - DCI
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1 - OS
1 - OLC Subject (GAO) w/basic
1 - OLC Proxmire file
1 - OLC Chrono
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DCI

THE DIRECTOR OF CENTRAL INTELLIGENCE
WASHINGTON, D. C. 20505

REVIEW STAFF
75-2051

28 JUL 1975

HSC Mat Jun

Security

The Honorable Otis G. Pike, Chairman
Select Committee on Intelligence
House of Representatives
Washington, D. C. 20515

Dear Mr. Chairman:

In our conversation on Friday you asked for the statutory basis for the compartmentation principle. I wish first to respond to your inquiry and then suggest a manner in which your staff can receive access to the sensitive material protected by special compartmentation systems.

The current basis for the U.S. Government security classification system is Executive Order 11652, promulgated on 8 March 1972. Historically, foreign intelligence has been treated as one category of classified national security information. There are numerous statutory recognitions of the importance of national security information, e.g., the Freedom of Information Act. Consequently, much foreign intelligence is classified CONFIDENTIAL, SECRET or TOP SECRET according to specifications set forth in the Order. Not all foreign intelligence, however, is classified national security information under the provisions of the Executive Order (e.g., an American source providing foreign information or assistance). Also, the potential risks attendant with the compromise of a foreign intelligence source or method differ substantially from the risks attendant with much classified defense information.

Section 102(d)(3) of the National Security Act of 1947, as amended, provides: "That the Director of Central Intelligence shall be responsible for protecting intelligence sources and methods from unauthorized disclosure." In recognition of this responsibility, National Security Council Intelligence Directive No. 1 (17 February 1972) instructs the Director of Central Intelligence to, "...develop and review security standards and practices as they relate to the protection of intelligence and of intelligence sources and methods from unauthorized disclosure."

Since the National Security Act did not provide for an authority corresponding with the DCI's responsibility in this area, the Directive provides that the Members of the U.S. Intelligence Board are responsible for: "The supervision of the dissemination and security of intelligence material." The Director of Central Intelligence, acting with the advice of the U.S. Intelligence Board, has promulgated a number of directives, regulations and security manuals, related to the protection of foreign intelligence and foreign intelligence sources and methods, and applicable to the overall U.S. intelligence community.

The fundamental security principle involved in the protection of foreign intelligence and of its sources and methods is a strict application of "need to know" --a principle referred to in Executive Order 11652, Section 6(A). This applies the simple mathematical premise that the fewer the number of individuals made privy to a secret, the less likely that it will be disclosed. The security principle of "compartmentation" involving special access and information dissemination controls is designed to ensure that only those individuals whose "need to know" has been specifically approved by some higher authority, who have been specially indoctrinated, and who undertake special commitments to protect it are provided access to a particularly sensitive category of foreign intelligence sources and methods. Compartmentation assists in the application of the "need-to-know" principle by ensuring that individuals are provided access to only that information clearly essential to the performance of their duties.

Compartmentation was undoubtedly a major contributing factor involved in the nation's secret development of the atomic bomb during World War II, and the principle is still implicit in security procedures related to ERDA's "RESTRICTED DATA" as reflected in the Atomic Energy Act of 1954. In the field of U.S. foreign intelligence activities, compartmentation was practiced throughout the development and operation of the U-2 reconnaissance program. One of the major foreign intelligence categories of activities using formalized compartmentation procedures today involves the matter of foreign signals intercept for intelligence purposes, i.e., communications intelligence. Title 18 of the U.S. Code Section 798 recognizes the special character of this material by providing specifically for prosecution for the unauthorized disclosure of information concerning any communications activities of the United States without the

necessity to show intent to harm the United States. The reason for the application of strict compartmentation procedures to communications intelligence and other foreign intelligence activities reflects the extreme vulnerability of the sources. Once an opposition becomes aware of which of its communications we are intercepting, it can take swift remedial action, and the source can be forever lost.

On Friday afternoon, copies of the secrecy oath used by the executive branch with respect to three compartmented access control systems were made available to you along with the revised forms developed for and executed by certain members of the staff of the Senate Select Committee to Study Intelligence Activities. I would hope that the enclosed agreement modified for the House Select Committee, combining all three compartments into one document, would meet your particular concerns.

For your information, in addition to the Senate Select Committee's use of the modified secrecy oath dealing with compartmented access, the following House and Senate committees have obtained compartmented access for their staffs, which was granted after the normal briefings and signing of the secrecy oath:

Armed Services Committee
Appropriations Committee
Aeronautical and Space Sciences Committee

May I reiterate the points I made on Friday:

a. No material is being withheld from members of the Committee.

b. We are prepared to and did brief the staff of the Committee on noncompartmented matters, based upon your certification of their security clearance and the fact that they entered into an appropriate secrecy agreement with you, a copy of which you provided.

c. The compartmentation procedures of the Intelligence Community have been established pursuant to statute and National Security Council Intelligence Directives. The simplest way for the staff to obtain access to this compartmented material would be to accept the normal secrecy arrangements as modified in the enclosed. This would ensure against difficulties in access to such compartmented material throughout the

Intelligence Community. It is clear that the obligations assumed here would run between the staff member and the Committee and in no way would provide any control or influence over them by me or any element of the Intelligence Community.

d. It would undoubtedly be feasible to develop another procedure to ensure special protection of the sensitive matters currently included in the compartmented systems, but this would involve review and discussions with various interested parties which would undoubtedly take some time and delay your investigations.

I hope you will agree that this is the simplest and easiest manner of solving a practical matter so that we can proceed with the substance of your investigations.

Sincerely,

W. E. Colby

13-00000

Distribution:

1-DCI
1-DDCI
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1-OLC
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1-SC/DCI

White House Distribution:
1-Rod Hills
1-Phil Buchen
1-Jay French

13-00000

CONFIDENTIAL

COMPARTMENTED INTELLIGENCE INDOCTRINATION

I have been informed that pursuant to law (Sections 792, 793, 794, 795, 797 and 798 of Title 18, United States Code) I am not to discuss with or disclose to any person any information relating directly or indirectly to the below identified compartmented Programs, unless such person is currently authorized to discuss or receive such information or material of the particular category involved. I am aware that the responsibility of ascertaining that such an authorization for another person is valid and current, rests with me.

I acknowledge that it is my responsibility to inform myself of the contents of the above mentioned sections of Title 18, U.S. Code, as they pertain to performance of my duties. I am aware further that if a change in my status renders it no longer necessary for me to receive compartmented intelligence, my name will be removed from the list of persons authorized to receive such material.

News media reports concerning any of these compartmented materials does not relieve me of my obligation under the oath signed below.

I acknowledge that I have been briefed on the following compartmented systems or programs:

________________ ________________

________________ ________________

________________ ________________

OATH OF SECRECY

I do solemnly swear that I will not discuss with or disclose to any person, regardless of his official position or status, any information relating directly or indirectly to Compartmented Intelligence, any information derived therefrom, or the nature of the sources of such intelligence, until I have ascertained that such person has been authorized to discuss

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CL BY __________

CONFIDENTIAL

and handle this material, and that his authorization has not been revoked, except in the performance of my official duties on the staff of the House Select Committee on Intelligence and in accordance with the requirements set forth in the rules of such Committee.

~~Social Security Number~~	Signature
Witness	Date

CONFIDENTIAL

CONFIDENTIAL

CE RAL INTELLIGENCE AGENCY
WASHINGTON, D.C. 20505

HSC MAT. FURN.
Review Staff: 75/2563
20 August 1975

HSC SECURITY
Dir O/S approval

Mr. A. Searle Field
Staff Director
Select Committee on Intelligence
Room 232
Cannon House Office Building
Washington D. C. 20515

Dear Mr. Field:

Around the end of July, Mr. Roeder, obviously impressed by your admonitions about the need for security, asked if I could work up a package of guidance on how to handle classified documents. Our Office of Security put this together, and while I think Mr. Roeder had in mind something more applicable to an individual than to an office, I thought I would pass this on to you for whatever use you care to make of it.

Incidentally, we have not yet carried out the physical survey of your quarters which you requested on 29 July. I have been in touch with Ms. Hess, and our Office of Security will conduct one as soon as she is ready. We may have some other recommendations for your consideration when that is done.

Sincerely,

Jerry Brown

Jerrold B. Brown
Assistant to the Director

Attachment: a/s

cc: D/OS

NATIONAL SECURITY INFORMATION
Unauthorized Disclosure Subject to
Criminal Sanctions.

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Category: 5B (1), (2), (3) or (4)
Declassified only on approval of the
Director of Central Intelligence

AMERICAN REVOLUTION BICENTENNIAL 1776-1976

13-00000

CONFIDENTIAL

14 AUG 1975

MEMORANDUM FOR: The Review Staff

ATTENTION : Mr. Jerrold B. Brown

VIA : Acting Deputy Director for Administration

SUBJECT : House Select Committee on Intelligence - Protection of Classified Materials

REFERENCE : Memo dtd 31 Jul 75 to D/Sec from Jerrold B. Brown, subject: Request for Security Aids

In accordance with the request in the referenced memorandum for a "package" to be used by the House Select Committee on Intelligence for the protection of classified material, the attached suggestions are provided for your assistance. In view of the lack of a comprehensive physical security survey of the area which will be used to store the Committee's classified material, specific recommendations must be deferred. In this connection, we plan to have Mr. Edward J. McGrath of the Physical Security Division (extension 3494) meet with appropriate representatives of the Committee for the specific purpose of conducting a security survey of the proposed quarters in the Rayburn Building. For your information, Mr. Searle Field, Staff Director of the House Select Committee on Intelligence, requested such a survey on 29 July 1975. Pending the results of this survey and its recommendations, the attached general physical security measures are recommended in an effort to provide the requisite protection for the Committee's classified material.

Robert W. Gambino
Director of Security

Atts.

Distribution:
Orig & 2 - Adse
1 - ADD/A

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ATTACHMENT

GENERAL SUGGESTIONS
FOR THE
PROTECTION OF CLASSIFIED MATERIAL

1. Designate a Committee member as the Security Officer responsible for the overall control handling and protection of the classified material.

2. Establish and maintain a register of all Committee personnel who are authorized to review classified material and insure that no unauthorized personnel will have access to the material.

3. Establish a central document control system whereby all classified documents are properly logged upon receipt and annotated as to disposition.

4. Designate a Document Control Clerk who will be specifically responsible for the logging and control of all classified material. Appropriate records should be established to reflect that all classified material is properly logged in and out, by date and time, to authorized members of the Committee.

5. In the event material is designated as being of a codeword or compartmented nature, special physical security features as enunciated by the Ad Hoc Security Committee of the United States Intelligence Board and later adopted as policy should be adhered to. (Specifics regarding these requirements will be provided in the course of the pending survey.)

6. All guards assigned to the physical security control over the Committee's storage area should be U. S. citizens and possess appropriate security clearances.

7. If feasible, a reading room should be established within the designated storage area

for the Committee's classified material, and all research and review activities of the material should be restricted to this area.

8. In those instances where the Committee meets in Executive session, every effort should be made to insure that the site being used has been subjected to a technical security inspection to negate the possibility of unauthorized transmitting or recording devices. This area of concern could pose serious security deficiencies in the event the same area would be used initially in public session and then closed for the Executive session without such an inspection being made.

9. Adequate safeguards should be utilized in the transmission of classified material under the cognizance of the Committee from one area to another.

10. Reproduction of any portion of the Committee's classified material should be prohibited without the express approval of the Staff Director. In this instance, notes, extracts, summaries, etc., made from classified material must also be provided the same degree of protection as that provided to the source material.

11. Access controls to the storage and retention area should be established to insure that only authorized personnel are allowed entrance.

12. Storage of all classified material should be within the designated area as opposed to any areas or outside offices.

13. Security protection should be provided to all Committee transcripts during the transcription process as well as during the periods while they are in transit.

14. A security check procedure should be established to inspect the areas where the Committee meets at the termination of each session to insure that no classified material

or notes, etc., are inadvertently left unsecured. (Attached are examples of Security Check Sheets.)

15. Arrangements should be made to insure that there are adequate facilities for the destruction of classified waste material. In this instance, such waste material should be provided protection until its final destruction.

16. Only approved classified material destruction methods should be utilized. (Details regarding this can be obtained in the course of the pending survey.)

17. All Committee personnel granted access to classified material by the Staff Director should be briefed on their obligations and responsibilities regarding the unauthorized disclosure of such material.

18. Specific physical security recommendations applicable to the proposed storage area for the Committee's classified material, consistent with sound security principles, must be deferred until the completion of the survey. This would also include recommendations relative to the type of storage containers which the Committee proposes to use.

19. Pending the completion of a security survey at the new storage site, it is suggested that the protective measures currently in effect at the temporary storage facility in Room 232, Cannon Building, not be changed.

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ATTACHMENT

13-00000

SECURITY CHECK SHEET

TO : Office of Security
THRU: Component Security Officer

TO LOCK

ROTATE DIAL FOUR CONSECUTIVE TURNS IN ONE DIRECTION

TO CHECK

SAFES: DEPRESS CONTROL DRAWER LATCH WHILE DEPRESSING EACH DRAWER LATCH AND PULL OUT BOTH DRAWERS. ON "HERRING-HALL-MARVIN" SAFES TURN DRAWER HANDLE TO RIGHT *(on new type, raise latch)* AND PULL DRAWERS OUTWARD.
VAULTS AND DOOR SAFES: TURN HANDLE BACK AND FORTH WHILE PULLING DOOR OUTWARD.
ALARM SWITCHES: TURN TO "NIGHT" POSITION

CERTIFICATION

I CERTIFY, BY MY INITIALS BELOW, THAT I HAVE OPENED OR PROPERLY SECURED THIS VAULT, SAFE OR CABINET AND ALARM.

MONTH(S)

DATE	OPENED BY		CLOSED BY		CHECKED BY		GUARD CHECK	
	INITIALS	TIME	INITIALS	TIME	INITIALS	TIME	INITIALS	TIME

FOLD HERE -- REVERSE FOLD FOR FULL USE OF BOTH SIDES -- FOLD HERE

SECURITY CHECK SHEET

FROM:	ROOM NO.	BUILDING	SAFE NO.

TO LOCK

ROTATE DIAL FOUR CONSECUTIVE TURNS IN ONE DIRECTION

TO CHECK

SAFES: DEPRESS CONTROL DRAWER LATCH WHILE DEPRESSING EACH DRAWER LATCH AND PULL OUT BOTH DRAWERS. ON "HERRING-HALL-MARVIN" SAFES TURN DRAWER HANDLE TO RIGHT *(on new type, raise latch)* AND PULL DRAWERS OUTWARD.
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MONTH(S)

DATE	OPENED BY		CLOSED BY		CHECKED BY		GUARD CHECK	
	INITIALS	TIME	INITIALS	TIME	INITIALS	TIME	INITIALS	TIME

Area Security Check Sheet

Items to be Checked	Checker
Desks (Including Drawers)	____________
Tables (Including Drawers)	____________
Chairs	____________
Floor	____________
Window Ledges	____________
Typewriters	____________
Stenotype Machines	____________
Reproduction Equipment	____________
Trash Receptacles	____________
Charts, Exhibits, Chalkboards	____________
Notebooks, Paper Pads, etc. (Check to insure that imprints of classified notes not present)	____________

13-00000

UNCLASSIFIED ☐ INTERNAL USE ONLY CONFIDENTIAL ☐ CONFIDENTIAL ☐ SECRET

ROUTING AND RECORD SHEET

SUBJECT: (Optional) House Select Committee on Intelligence - Protection of Classified Materials

FROM:	EXTENSION	NO.
Director of Security	6777	File with 75-2563 20 Aug 75
		DATE: 14 AUG 1975

TO: (Officer designation, room number, and building)	DATE RECEIVED	DATE FORWARDED	OFFICER'S INITIALS	COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)
1. Edward Ryan DD/A Coordinator 4E-27, Hqs.	14 August 75		ER	
2. ADD/A 7D-26, Hqs.	14 [illegible]	[illegible]	J	
3.				
4. The Review Staff 6D-0120			WE Seymour	CS
5. Attn: Mr. Jerrold B. Brown				
6.				
7.				
8.				
9.				
10.				
11.				
12.				
13.				
14.				
15.				

FORM 3-62 610 USE PREVIOUS EDITIONS ☐ SECRET ☐ CONFIDENTIAL ☐ INTERNAL USE ONLY ☐ UNCLASSIFIED

CONFIDENTIAL

14 AUG 1975

MEMORANDUM FOR: The Review Staff

ATTENTION : Mr. Jerrold B. Brown

VIA : Acting Deputy Director for Administration

SUBJECT : House Select Committee on Intelligence - Protection of Classified Materials

REFERENCE : Memo dtd 31 Jul 75 to D/Sec from Jerrold B. Brown, subject: Request for Security Aids

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Robert W. Gambino
Director of Security

Atts.

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Terald Brown

THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D. C. 20505

REVIEW STAFF

Intelligence Community Staff

DCI/IC 75-2620
2 September 1975

MEMORANDUM FOR: Members of USIB Ad Hoc Coordinating Group

SUBJECT : House Select Committee on Intelligence

Attached is a paper from the Chairman, USIB Security Committee, outlining security arrangements made by the House Select Committee on Intelligence.

Jack E. Thomas
Jack E. Thomas
Major General, USAF (Ret.)
Chief, Coordination Staff, ICS

Attachment

This Document May Be Downgraded to Unclassified When Removed From Attachment

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UNITED STATES INTELLIGENCE BOARD
SECURITY COMMITTEE

SECOM-D-105
2 September 1975

MEMORANDUM FOR: Chief, Coordination Staff, ICS

SUBJECT : House Select Committee on Intelligence

On 29 August 1975, Mr. Robert Gambino, Director of Security/CIA; Mr. William H. Standiford, Deputy Chief, Physical Security Division, Office of Security/CIA; and I viewed the permanent space of the staff of the House Select Committee on Intelligence at the invitation of Mr. A. Searle Field, Staff Director of the Committee. We believe the security arrangements made and being made are satisfactory for the storage of compartmented information. Attached is a memorandum outlining the security arrangements.

Donald E. Moore
Chairman

Attachment

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to Unclassified When Removed From
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SCHEDULE OF E. O. 11652, EXEMPTION CATEGORY:
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2 September 1975

House Select Committee on Intelligence

1. The House Select Committee staff is now located in its permanent space, B-316, Rayburn Building. Ms. Jacqueline Hess is the Security Officer, telephone number 225-9696.

2. The only entrance is through B-316 and the space consists of several adjoining offices all served by an inner walkway. A member of the Capitol Police is stationed at a guard desk inside the door and admits only authorized individuals. Visitors must sign in with the guard, who calls the appropriate staff employee and visitors are allowed access to the space only in the company of staff employees. Interview rooms are located in the staff area but separated from the work area. During non-work hours two guards are on duty in the space.

3. All classified material is kept in a secure area at the rear of the space with one entrance to the secure room. This room is to be locked at all times when specified employees are not on duty in the room. At the present time, Ms. Hess is the only one who will be able to open the secure area and unless circumstances change this arrangement will continue.

4. All classified material is kept in this secure area, and stored in approved safes with three-way combination locks. At present, Ms. Hess is the only person who possesses the combination to these safes.

5. Reading of classified documents is to be in a reading area, consisting of several tables, in the secure area. A staff employee desiring access to a classified document must make a request for it, Ms. Hess then obtains it, the employee reads it in the secure area and it is then returned to Ms. Hess for return to the safe cabinet. Staff employees have been advised that notes taken from classified documents and material prepared from such notes or the documents must respect the original classification and receive corresponding security. Copying of classified documents is to be strictly controlled, is to be done only on a copying device located in staff space, and copies are to receive the same security protection as the original.

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EXEMPT FROM GENERAL DECLASSIFICATION SCHEDULE OF E. O. 11652, EXEMPTION CATEGORY: § 5B(1), (2), (3) or (4) (circle one or more)
AUTOMATICALLY DECLASSIFIED ON
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(unless impossible, insert date or event)

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6. The entire space has been swept and plans call for additional periodic sweeping. There is a motion detector in the secure area which rings at the guard desk in the staff area and also at the main office of the Capitol Police in the Rayburn Building. Tests have been made of this device and the response by the Capitol Police was immediate. Two doors which normally serve as access to the secure area from space occupied by other House Committees have been secured from the inside and alarms are to be installed on these doors.

7. Mr. A. Searle Field, Staff Director, and Ms. Hess advised that staff employees have been alerted to telephone security and this will be continually stressed. Also they have tried to instill strong security consciousness among all the staff. Mr. Field indicated that at present it is not expected the staff will total more than 35.

House Armed Services
Subcommittee on
Intelligence
and Military Application of Nuclear Energy

The Subcommittee on Intelligence and Military Application of Nuclear Energy is newly established and the successor to the Special Subcommittee on Intelligence Chaired by Representative Lucien N. Nedzi. The new Subcommittee has picked up the responsibility of the soon to be abolished Joint Committee on Atomic Energy and is expanding its staff accordingly. Representative Melvin Price's Chairmanship is due to his long years of membership on the Joint Committee on Atomic Energy. There will be an ever-increasing involvement by the Subcommittee in military application of nuclear energy and we undoubtedly will be called upon to provide required foreign intelligence.

Members of the Subcommittee are as follows:

Melvin Price (D., Ill.), Chairman
Charles H. Wilson (D., Calif.)
Jack Brinkley (D., Ga.)
Dan Daniel (D., Va.)
G. V. Montgomery (D., Miss.)
Ronald V. Dellums (D., Calif.)
Bob Carr (D., Mich.)
Charles E. Bennett (D., Fla.)
Samuel S. Stratton (D., N.Y.)
Bob Wilson (R., Calif.)
William L. Dickinson (R., Ala.)
Marjorie S. Holt (R., Md.)
Robert W. Daniel, Jr. (R., Va.)

Staff of the Subcommittee are as follows:

John Ford, Staff Director
William H. Hogan, Counsel
Adam J. Klein, Professional

Mr. Ford is Staff Director of the full Committee and replaced Mr. Frank Slatinshek, former Chief Counsel, who retired. Mr. Hogan is Counsel of the Subcommittee and will be the principal staff man on Agency matters. Adam Klein is a specialist in atomic energy matters.

PROBLEMS

A. House Subcommittee on Intelligence and Military Application of Nuclear Energy

Former Chairman Lucien N. Nedzi fully exercised his perogatives as Chairman of the Subcommittee on Intelligence and we could look to him for support in any problems developing with other committees and other members of the House not on the Subcommittee. Based on the reactions of Chairman Melvin Price in the few instances that we have approached him in this Congress for assistance, it is quite evident that he is not the dominant personality as was Chairman Nedzi and will not stick his neck out to defend the Agency. Nor does it appear that the new staff director will be of the forceful personality as was Frank Slatinshek who was very helpful in a number of problems. A few weeks ago former Chairman Nedzi suggested that we resolve a problem involving Representative Donald M. Fraser by going to Speaker O'Neill. This may have been his indication to us that we may have to look to House leadership to resolve problems. Mr. Nedzi also suggested that we contact someone in the White House on a problem. We may be faced with needed White House support on a problem before we approach the leadership.

B. House Select Committee on Narcotics Abuse and Control

The extent of Chairman Lester L. Wolff's oversight of the Agency in its narcotics collection activities still remains a looming problem. As indicated by the request for the seal, Mr. Wolff intends to extend the Agency's activities to where there is maximum effective collection of foreign intelligence on narcotics trafficking leading to arrest and conviction without regard to the Agency's statutory prohibitions. The only solution rests with the Attorney General and the White House giving the Agency clear and precise guidelines to operate in this area which the Agency can then point to in any disputes that may arise with the Select Committee as to what the Agency's role should be.

13-00000

COMMITTEE ON APPROPRIATIONS
House of Representatives
(95th Congress, 1st Session)

DEMOCRATS

Republicans

GEORGE H. MAHON, Texas, *Chairman*

DEMOCRATS	REPUBLICANS
JAMIE L. WHITTEN, Mississippi	ELFORD A. CEDERBERG, Michigan
ROBERT L. F. SIKES, Florida	ROBERT H. MICHEL, Illinois
EDWARD P. BOLAND, Massachusetts	SILVIO O. CONTE, Massachusetts
WILLIAM H. NATCHER, Kentucky	JOSEPH M. McDADE, Pennsylvania
DANIEL J. FLOOD, Pennsylvania	MARK ANDREWS, North Dakota
TOM STEED, Oklahoma	JACK EDWARDS, Alabama
GEORGE E. SHIPLEY, Illinois	ROBERT C. McEWEN, New York
JOHN M. SLACK, West Virginia	JOHN T. MYERS, Indiana
JOHN J. FLYNT, Jr., Georgia	J. KENNETH ROBINSON, Virginia
NEAL SMITH, Iowa	CLARENCE E. MILLER, Ohio
ROBERT N. GIAIMO, Connecticut	LAWRENCE COUGHLIN, Pennsylvania
JOSEPH P. ADDABBO, New York	C. W. BILL YOUNG, Florida
JOHN J. McFALL, California	JACK F. KEMP, New York
EDWARD J. PATTEN, New Jersey	WILLIAM L. ARMSTRONG, Colorado
CLARENCE D. LONG, Maryland	RALPH S. REGULA, Ohio
SIDNEY R. YATES, Illinois	CLAIR W. BURGENER, California
FRANK E. EVANS, Colorado	GEORGE M. O'BRIEN, Illinois
DAVID R. OBEY, Wisconsin	VIRGINIA SMITH, Nebraska
EDWARD R. ROYBAL, California	
LOUIS STOKES, Ohio	KEITH F. MAINLAND
GUNN McKAY, Utah	*Clerk and Staff Director*
TOM BEVILL, Alabama	
BILL CHAPPELL, Florida	
BILL D. BURLISON, Missouri	
BILL ALEXANDER, Arkansas	
EDWARD I. KOCH, New York	
YVONNE BRATHWAITE BURKE, California	
JOHN P. MURTHA, Pennsylvania	
BOB TRAXLER, Michigan	
ROBERT DUNCAN, Oregon	
JOSEPH D. EARLY, Massachusetts	
MAX BAUCUS, Montana	
CHARLES WILSON, Texas	
LINDY (MRS. HALE) BOGGS, Louisiana	
ADAM BENJAMIN, Jr., Indiana	
NORMAN D. DICKS, Washington	

Subcommittees

AGRICULTURE & RELATED AGENCIES	Whitten, Evans, Burlison, Baucus, Traxler, Alexander, Sikes, Natcher Andrews, Robinson, Myers
DEFENSE	Mahon, Sikes, Flood, Addabbo, McFall, Flynt, Giaimo, Chappell, Burlison Edwards, Robinson, Kemp
DISTRICT OF COLUMBIA	Natcher, Giaimo, Wilson, McKay, Burke, Benjamin Burgener, Kemp
FOREIGN OPERATIONS	Long, Obey, Koch, Wilson, Yates, Burke, Roybal, Stokes Young, Conte, Smith
HUD—INDEPENDENT AGENCIES	Boland, Traxler, Baucus, Stokes, Bevill, Boggs, Burlison, Alexander Coughlin, McDade, Young
INTERIOR	Yates, McKay, Long, Evans, Murtha, Duncan, Dicks, Whitten McDade, Regula, Armstrong
LABOR—HEALTH, EDUCATION & WELFARE	Flood, Natcher, Smith, Patten, Obey, Roybal, Stokes, Early Michel, Conte, O'Brien
LEGISLATIVE	Shipley, Benjamin, Giaimo, McFall, Murtha, Traxler Armstrong, Coughlin, Cederberg
MILITARY CONSTRUCTION	McKay, Sikes, Murtha, Steed, Long, Chappell McEwen, Regula
PUBLIC WORKS	Bevill, Boland, Whitten, Slack, Boggs, Dicks, Shipley, Chappell Myers, Burgener, Smith
STATE, JUSTICE, COMMERCE & JUDICIARY	Slack, Smith, Flynt, Alexander, Burke, Early Cederberg, Andrews, Miller
TRANSPORTATION	McFall, Steed, Koch, Duncan, Benjamin, Smith, Addabbo, Evans Conte, Edwards, O'Brien
TREASURY-POSTAL SERVICE—GENERAL GOVERNMENT	Steed, Addabbo, Roybal, Patten, Boland, Flynt Miller, McEwen

NOTE: Mr. Mahon, as Chairman of the Committee, and Mr. Cederberg, as Ranking Minority Member, are ex officio members of all subcommittees of which they are not regular members.

GPO 86-238-b *January 26, 1977.*

13-00000

Surveys & Investigations Staff

House Appropriations Committee team:

Room 2 D 0117. Telephones: 5848, 5849 (B) and 1570 (R) 8801 (gray)

Leonard M. (Bucky) WALTERS
Badge: blue House Committee
Clearances: SI, TK, BYECOM

Charles G. (Chuck) HAYNES
Badge: green no-escort
Clearances: SI, TK, BYECOM

~~Eugene B. WILHELM~~
~~Badge: blue House Committee~~
~~Clearances: SI, TK, BYECOM~~

George C. BAIRD (Carter)
Badge: blue House Committee
Clearances: SI, TK, BYECOM

Leon F. (Frank) SCHWARTZ
Badge: blue House Committee

John LAYTON

Supervisory officials of HAC Surveys & Investigations Staff (not to be stationed at Hqs bldg, but may visit from time to time):

Cornelius R. (Lefty) ANDERSON, Chief
Badge: green no-escort

Marion S. RAMEY, Deputy Chief
Badge: blue House Committee
OX 7-9371

James Brian HYLAND
Badge: ~~none~~ blue House Committee

Shep

2 August 1976

MEMORANDUM FOR THE RECORD

SUBJECT: Initial Meeting with House Appropriations Committee Survey Group

1. An initial session was held on 30 July 1976 of about one and a half hours with six persons from the Surveys and Investigations Staff of the House Appropriations Committee, to discuss the purpose of their survey of the Directorate of Operations and to propose some arrangements to govern their access to Agency personnel and documents. The following attended:

Mr. Cornelius (Lefty) Anderson, Chief of Surveys and Investigations Staff
Mr. Marion Ramey, Deputy
Mr. Leonard (Bucky) Walters, who will head the team inspecting the Directorate of Operations
Mr. Charles (Chuck) Haynes, team member
Mr. Eugene Wilhelm, team member (former Agency employee)
Mr. George C. Baird, team member

Attending for the Agency were:

Mr. Theodore Shackley, who chaired the meeting
Mr. Robert Gambino
Mr. Lyle Miller
Mr. Thomas B. Abernathy
Mr. Richard Point
Mr. Philip F. Fendig

2. The meeting followed reasonably well the attached agenda, which was made available to all at the beginning of the meeting. The following paragraphs summarize the important points covered.

3. Scope: Mr. Shackley asked the group to define its mission, noting some of the topics mentioned in recent conversations with Mr. Snodgrass suggested particular interests whereas the Committee's report on the FY 77 budget

had suggested a different orientation. Mr. Anderson, characterizing the enterprise as a survey rather than an investigation, stated that his instructions were from the Chairman of the Committee: they called for a detailed review of the operation of the Directorate in its entirety. Mr. Walters would mention certain particular interests, noted below, but that did not set limits to the ultimate scope of the survey. Mr. Walters then took over:

a. He expects to do a complete review, from the managerial and substantive standpoint, of the Directorate. His initial interests indicated an auditor's approach to these questions - how budgets are compiled, examination of accounting procedures for regular and special funds, cost systems and the like.

b. He went on, however, to the management aspects which they would also pursue to determine the results of the Directorate's operations - the value of intelligence produced versus the costs involved in procuring it, and areas of possible overlap in collection with the military and with NSA.

c. Specific areas which would be explored, given, as examples, included contingency reserves, the "special retirement fund" (presumably referring to MHMUTUAL), the procedures for reimbursing the State Department for cover and support, proprietaries (how created, their justification, value and effectiveness), safe-houses and "CA cadres."

Mr. Anderson reluctantly agreed to Mr. Shackley's request for a memorandum spelling out these objectives in sufficient detail so that we could take the managerial steps necessary to resolve any conflicts in the priority of the time of our managers and senior operations officers who would be involved in current operations as well as overlapping inquiries from other groups concurrently overseeing the Directorate. Mr. Anderson also asked for any ongoing studies which the Directorate might have which would aid the team in its work.

4. Duration: The team's first objective will be to render an interim report to the Committee by 1 January 1977, in order to meet the mandate that the survey be used in considering the Agency's FY 1978 budget. The team wishes to start work immediately and will consist of either six or seven members who will occupy space in Headquarters building and presumably do most of their work here; it was brought out, however, that the team would also interview users of our intelligence and other collectors. There was ambiguity in the projection of the total length of the survey; I interpreted Mr. Anderson's remarks to indicate that he expected the team to be with us for most of calendar year 1977.

5. Security: Mr. Anderson explained the arrangement by which the Committee limits access by even the members of the Subcommittee to the reports of his group; they must be reviewed in a specified area and they are stored, in very limited numbers, in the tower of the Capitol in the special facilities there for the Joint Atomic Energy Committee of Congress. Mr. Gambino explained the arrangements for badges, certification of clearances, and provided for the team's consideration a copy of the "non-disclosure agreement" which we would like members to sign. There was considerable discussion, and some objection, to the issuance of blue badges which will provide access to virtually all parts of the building but which must be turned in and picked up at the entrance each day. This arrangement was reluctantly accepted but it was made clear at lunch and in later discussion with the team and with Mr. Anderson they are unhappy with this slight infringement on their convenience and physical access to the building.

6. Access: Of more concern was the Agency position that the SA/DO/O would serve as a control point for the team's further access to individuals and documents in the Directorate. The requirement was explained in terms of the need to record, against later requirements such as in fact now in progress stemming from another investigation, the names, subject matter and general content of matters discussed by Agency officers with team members. The requirement to "monitor" was explained as an effort to keep this type of record, rather than to impose a third party from the office of SA/DO/O on all interviews; the latter was clearly considered by the team to be an unreasonable intrusion. It was agreed after some discussion that we would proceed with

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system outlined in the attached agenda, and that we would reconsider procedures later if they seemed clearly to be unwieldy. We anticipated, however, that once the team splits into smaller groups as is planned, and pursues particular areas of inquiry, it will be possible to evolve a workable system which meets the objectives of both parties.

7. Other: There appears to be no difficulty in protecting identities of sources, providing documents in sanitized form, maintaining notes only in this building and at the appropriate security level and introducing some officers under cover in alias where necessary; all these points were noted and none was objected to. Space and other facilities may be cramped but it appears to be possible to provide adequate space adjacent to the SA/DO/O offices. Mr. Anderson began by noting the outstanding cooperation on the Angola and COMINT surveys done in the building (in which relatively free access to personnel and files had been afforded his team), and ended by stating that the coming survey was not a witch hunt nor an investigation of abuses and that therefore he believed that such access could have very beneficial results for the Agency. It was agreed to begin the survey formally with a briefing by the DDO or ADDO on 3 or 4 August 1976. Mr. Walters with several team members will, however, set up shop on 2 August to review such general briefing papers as Mr. Fendig can make available to them at that time.

(signed)
Philip F. Fendig

Philip F. Fendig

SA/DO/O:PFFendig:jl (7368/1398)

Distribution: (all w/att)
Orig & 1 - DDO
1 - ADDO
1 - OLC (Mr. Miller)
1 - D/SEC (Mr. Gambino)
1 - COMPT (Mr. Point)
1 - SSA/DDO
1 - SA/DDCI (Mr. Bolten)
4 - SA/DO/O

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E2 IMPDET
CL BY 012860

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[redacted]

AGENDA FOR MEETING WITH
HOUSE APPROPRIATIONS COMMITTEE STAFF
30 JULY 1976

12 months

A. Request statement from Committee representatives of scope, duration and proposed procedure to be followed by Committee investigators.

B. Discussion of arrangements for investigation:

1. Facilities: DDO will provide office space, telephones and secure storage facilities for investigators. Parking spaces and cafeteria priveleges will also be provided.

2. Security:

   a. Badges allowing unescorted access to Headquarters building will be issued, to be picked up and left with receptionist. Agreement to be signed when badge issued, per current procedures governing all Congressional staffs.

   b. Clearances through necessary level to be obtained prior to commencement of briefings or interviews, level to be determined on basis of first meeting.

3. Access:

   a. Orientation briefings on Directorate and its subdivisions to be offered.

   b. Access to personnel and documents within Agency to be controlled by office of SA/DO/O, which will maintain record of all interviews and of documents provided. [redacted]

   c. Documents to be provided upon specific request for study within building. They will be sanitized to protect sources and methods using guidelines previously established for HSC and SSC.

13-00000

d. Documents to be examined by the investigation team within Headquarters building. [redacted] If copies of documents are desired, investigators will request them from SA/DO/O who will see that they are provided promptly in appropriate classified and sanitized form. If required by the Committee (outside Headquarters building), same procedure will be followed but will be subject to review by SA/DO/O.

e. Formal questions are to be put in writing in order to provide proper and full context so that most complete and pertinent answers can be provided.

f. SA/DO/O to monitor all interviews. ~ [redacted]

g. Discussion of note-taking and reports:

   (1) Maintenance of proper security and classification

   (2) Notes to retain same level of security classification as documents or interviews on which they based.

DON 5-218

DDO NOTICE
NO. 5-218

GENERAL
4 August 1976

SURVEY BY MEMBERS OF
THE HOUSE APPROPRIATIONS COMMITTEE STAFF

1. GENERAL

Members of the staff of the House Appropriations Committee began an extensive examination of the Directorate of Operations beginning the week of 2 August 1976. They expect that it will take approximately 17 months to complete this study. They state their activities are necessary to better understand the appropriations process. They emphasize that their objective is not to dig out evidence of wrongdoing or improper activities. The staff members' activities will be coordinated through SA/DO/O. The following paragraphs attempt to anticipate the procedures necessary to exercise orderly control over the staff's activities. These procedures may be subject to modification as future experience may dictate.

2. LOCATION

Members of this Congressional staff have been issued blue badges bearing the words "House Committee" which permit unescorted access to all non-specially controlled areas of the building, including the main cafeteria. The staff will be provided suitable private office space in Room 2 D 0117, adjacent to the office of the SA/DO/O, which will be relocated in Room 2 D 0109 as of 6 August 1976. It is expected that they will initially have a greater interest in interviews than they do in documents. Since they will have adequate office space, interviews should be conducted within their premises.

3. CONTROL OF DOCUMENTS

a. The staff is expected to make any requests for documentation to the SA/DO/O. Individual officers

who receive requests from staff members for documents should ask that the request be put to the SA/DO/O. All documents provided to the SA/DO/O for transmittal to the staff will be logged in by the SA/DO/O and logged back to the component after the staff has completed its study. The SA/DO/O will not, as a matter of routine procedure, retain a copy of the document concerned.

b. All documents will be properly sanitized to protect sources and methods. The staff has indicated that it does not anticipate any need for such detail and accepts the principle of sanitization. Any questions concerning the degree of sanitization should be referred to the SA/DO/O. Ground rules for sanitization are similar to those applied during the activities of the Select Committees. General guidelines will be provided separately.

c. On receipt of a document back from the SA/DO/O the recipient should indicate the date received, and that it had been made available to the staff. The document should be retained by the recipient in the form in which it was provided to the staff for possible further reference; the record copy of the document should also reflect the fact that a sanitized copy was provided to the staff. Any further copies of documents requested by the staff will be made only by the office of the SA/DO/O.

4. INTERVIEWS

a. A representative from the office of the SA/DO/O will not necessarily be present during interviews. All interviews should be requested by the staff through the SA/DO/O. The SA/DO/O will maintain a record of the date of interview; the name of the person interviewed, and by whom; the alias if one is used; and the subjects discussed. A form will be provided to the interviewee to record

13-00000

DON 5-218

DDO NOTICE
NO. 5-218

GENERAL
4 August 1976

the essential facts. He should retain one copy for possible future reference and one copy should be forwarded to the SA/DO/O.

b. It is recognized that the badge access and the length of the stay in the building by the staff members may lead to unscheduled contacts. If such contacts are connected with the official duties of the staff, then appropriate comments should be forwarded to SA/DO/O on the form cited above. Officers should be careful not to allow conversations to drift to areas of interest not covered by official interviews. If this does take place, however, we shall rely on the officer concerned to inform the SA/DO/O of these developments.

5. SECURITY

The blue badge should be sufficient to indicate that staff members should be treated as visitors in the presence of persons not connected with their official duties. Persons introduced under alias should be careful that the alias is protected if a chance meeting takes place in the presence of other colleagues. In this connection, persons interviewed should be careful not to expose associates who have not been interviewed.

William W. Wells
Deputy Director for Operations

cy: A/DDCI (Mr. Bolten) 18 Aug 76

CONFIDENTIAL

27 August 1976

MEMORANDUM FOR: Chiefs of Divisions and Staffs

FROM : Philip F. Fendig
SA/DO/O

SUBJECT : Guidance for Interviews with House Appropriations Committee Staff

REFERENCE : DON 5-218, 4 August 1976

1. You have been scheduled at the time indicated on the cover sheet of this memorandum for a briefing to be given to the five members of the Surveys and Investigations Staff team from the House Appropriations Committee. The subjects which the team would like you to cover are contained in the memorandum distributed prior to the DDO staff meeting on 25 August 1976 and discussed at that meeting. I have explained to the Surveys and Investigations team that topic e (personnel policy and practices) will be discussed at a separate briefing to be given by the Chief, Career Management Group. You should touch on the other topics suggested in the memorandum mentioned above.

2. General guidelines are contained in reference notice. The following may be helpful, however, in preparing your briefing. Our general intention is to be as forthcoming as possible while drawing the line clearly at any information which would lead to the identification of a specific source, intelligence method, cooperating person or group with which the Agency has a relationship of confidence, or confidential matter involving a cooperating foreign intelligence service. The fact of liaison with foreign services can in most cases be acknowledged, but details of the relationship and the subject matter of joint or shared operations should not be disclosed.

3. In the briefing contemplated on management policies and practices, most of the above sensitive areas would not appear to arise, but you may find that questions will tend to bring out some more sensitive areas and these should be deferred with an agreement of looking into the possibility of providing further information later. The staff has already had access to basic budgetary material, including funds and

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personnel strengths broken down by component, and a listing by cryptonyms and funding levels of all OPACTS. They have been given a briefing on the current organization of the Directorate of Operations and are aware that its staff elements will shortly be reorganized. They have a listing of all overseas stations and bases. If you have further questions on material already provided to the Committee, please check with this office.

4. Most of the briefings are scheduled to take place in room 2 D 0117; if possible, a member of my staff will be present. We would appreciate, however, a short Memorandum for the Record, using the attached "Interview Form" as a general guide. Space is somewhat limited, but you should bring any supporting personnel you desire to have participate in your briefing. The Surveys and Investigations team is aware that aliases may be used by those with solid cover status; please advise this office if any persons intend to use an alias during these briefing sessions.

5. We will be happy to assist in any way, including follow-up matters which may be developed in the course of these briefings.

Philip F. Fendig

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August 18, 1976

MEMORANDUM FOR: Mr. Philip F. Fendig
SA/DO/O

FROM: L. M. Walters, Staff Member
House Appropriations Committee
Surveys and Investigations Staff

Request arrangement for comprehensive briefings with appropriate officials regarding the subjects outlined below be provided to HAC S&I Staff members George C. Baird and Leon F. Schwartz.

1. Paramilitary Covert Action Cadre

Provide in this briefing data relating to the organization, utilization and cost data for this activity for the periods FY 74, 75, 76 and projected data for FY 77 and FY 78. Organizational data should include manning and equipment levels for the aforementioned periods.

2. Reorganization of the Directorate of Operations

Briefing should include rationale behind the proposed reorganization and manpower and dollar savings to be effected by such a change. If additional expenditures in either dollars or manpower positions are involved, justification should accompany the presentation. Explain in detail how the Directorate of Operations plans to absorb the FY 77 loss of 100 manpower positions, if imposed in the pending Appropriations Bill.

3. The Special Projects Group

Explain the rationale behind the transfer of Israel from the Near East Division and providing it with special status by placing it directly under DDO. Additional manpower and dollar costs accompanying this change should be addressed.

4. Coordination Within the Intelligence Community

Briefing should show the identity and purposes of the various task groups established (both within CIA and community-

wide) which have been specifically established to deal with the collection vs. analysis problem. Impacts and changes brought about or anticipated within DO as a result of these groups' actions should be covered.

5. Management Policies and Practices of Each DO Staff and Division, (a separate briefing by each) including but not limited to:

a. Overview of role of staff or division

b. Decision-making processes and how coordinated in DO, CIA and intelligence community

c. Organizational structure

d. Program development, and execution from initiation to budgeting to implementation, including development of annual plans, their flexibility, and degree of autonomy of case officers, chiefs of stations, desk officers and division or staff directors.

e. Personnel policies and practices including recruitment, training promotion, position classification, establishment of station complements and rotational policies.

f. Management and accounting controls to assure compliance with laws, executive orders, policies and regulations and assurance that funds and other assets are properly used, expended and receipted for.

While the order of arranging the presentations is not critical, it is suggested that, if possible, item (1.) be presented earliest and that item (5.) be instituted the week of August 30. Please coordinate with either Mr. Baird or myself for prompt scheduling of these sessions. Also, it would be appreciated if a copy of charts or other documentary material used in the presentations could be provided to the attendees during each briefing session.

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SENDER WILL CHECK CLASSIFICATION TOP AND BOTTOM

	UNCLASSIFIED		CONFIDENTIAL		SECRET

OFFICIAL ROUTING SLIP

TO	NAME AND ADDRESS	DATE	INITIALS
1	MR FENOIG		
2			
3			
4			
5			
6			

	ACTION		DIRECT REPLY		PREPARE REPLY
	APPROVAL		DISPATCH		RECOMMENDATION
	COMMENT		FILE		RETURN
	CONCURRENCE		INFORMATION		SIGNATURE

Remarks: Copies: To Shepard, Sovern

For your info I have attached pages 6 and 7 of DD/O 76-3259 of 26 May 1976, covering the A/DDO's position with Mr SNODGRASS on MBO.

Also attached is a page from the DCI's statement to the Committee on the same subject (no date)

FOLD HERE TO RETURN TO SENDER

FROM: NAME, ADDRESS AND PHONE NO.	DATE
WALKER	10 Sept 76

	UNCLASSIFIED		CONFIDENTIAL		SECRET

FORM NO. 1-67 237 Use previous editions (40)

in attempting to be both forthcoming and helpful to him and the Committee in understanding the DDO's problems. At the same time Mr. Snodgrass pointed out that while he had no quarrel with Mr. Shackley, he continued to be irritated with the totality of the Agency's attitude toward providing him with data. Mr. Snodgrass then launched into a long litany on how the Agency had not been responsive in terms of his needs as he perceived them in the time frame February to May 1976. With that as a backdrop Mr. Snodgrass then launched into his inquiry as to why the Agency was not willing to give him full access to Management by Objective documents. The dialogue which followed on this topic had a natural ebb and flow to it, but the key point that emerged from this is that Mr. Snodgrass continues to feel that unless he can see the Management by Objective documents he will not be able to have a firm understanding of DDO manpower allocation procedures. Secondly, Mr. Snodgrass claims that CIA's position that it will show Management by Objective documents to members of the Committee and not the Staff is an obstructionist tactic. His point being that the members of the Committee do not have the time to look at such documents and they thus depend on the Committee Staff for this type of substantive review. According to Mr. Snodgrass this means that if the Agency will not provide data to the Staff, it is in fact denying information to the Committee members. Attempts were made by Mr. Shackley to show how men of good will on both sides of this question could have an honest difference of opinion on the issue. In this framework Mr. Shackley reiterated the DDO position that access to Management by Objective documents by Mr. Snodgrass would impact adversely on the whole question of sources and methods as well as the integrity of the reporting system. As a followup to this position an effort was made to find out exactly what it was about the DDO manpower allocation system that Mr. Snodgrass did not understand and which he thought he might find out about from an examination of the Management by Objective documents. It was hoped that through this line of inquiry an alternate approach could be discovered which would enable us to deal with Mr. Snodgrass' problems. Our probes in this direction were unsuccessful in clarifying the issue. One can only conclude that Mr. Snodgrass is committed to finding some sort of a formula or equation which will enable him to test our manpower allocation system. We have repeatedly outlined to him the variable factors that go

into making judgments on operational deployment of manpower such as what targets are in a country, what are the great power interests in a particular country, what is the operational environment in the country i.e., permissive or not, what are the cover possibilities, what are our liaison equities, and what are our needs for regional support from a particular country. These explanations are taken aboard by Mr. Snodgrass, but he is looking for something else which has less variables in it when, in fact, there is no magic formula for determining how one gets people to commit treason. This portion of the meeting ultimately ended on a friendly note but left unresolved the question of what was it that Mr. Snodgrass really wanted on the issue of manpower allocations and what could CIA tell him that we haven't already told him. (ACTION REQUIRED: Mr. Snodgrass is currently preoccupied with drafting his report on the House Appropriations Committee Mark-up of the DDO FY 77 budget. Once this task is completed Mr. Chin, OLC, will return to see Mr. Snodgrass and will try to obtain an elaboration of what specifically are the manpower issues that trouble Mr. Snodgrass. In this context Mr. Chin has been asked to try to determine if a review, position-by-position, of two or three typical Stations within the DDO might give Mr. Snodgrass the insight into manpower allocations that he is currently seeking.)

9. Comment. In net assessment terms one would have to conclude that the 25 May meeting achieved the optimum that could be expected from this kind of an encounter. On the one hand the attached briefing book which was examined by Mr. Snodgrass was accepted by the latter as a first rate product. For this the A gency gets high marks. On the other hand, the Management by Objective system, because he can't see the documents, leaves Mr. Snodgrass frustrated and irritated. This evokes acrimonious complaints from Mr. Snodgrass with the end result being that the burden for seeking a solution to a problem created by Mr. Snodgrass is placed on the Agency. In short, we have ended up where we expected to be. Put another way, there appears to be no prospect for establishing the type of dialogue with Mr. Snodgrass which satisfies the interests of both parties. We are inevitably doomed to being in an adversary relationship with him, although it is incumbent on us to continue to minimize, to the extent that

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Mr. Mahon. Would you please provide the Committee staff with some samples of these performance reports, sanitized as you think appropriate?

Mr. Bush. I would be willing to bring some down and discuss them with the Committee off the record, Mr. Chairman. But I am reluctant to do that, and I am even more reluctant to provide the documents themselves or to have their contents described to the Committee by anyone who is not intimately familiar with espionage, counterintelligence and covert action operations and with the entire management system used by the Operations Directorate.

There are a number of reasons for my position. One serious concern revolves around the effects on our internal processes of the sort of inquiry you propose. One of the primary reasons that our internal management system is effective is that participation is strictly limited to those immediately concerned. Given that we are all human beings, there is no escaping the fact that knowledge that the reports in question are being read, or may at some future time be read, by outsiders will lead to their being written with a view to their possible impact on an extended readership. There will be a tendency for the managers in the field to slant their discussions of problems and to exaggerate accomplishments. Inevitably, the net effect will be to reduce the usefulness of the system.

Another difficulty involves security. To be useful for judging performance, the reports must be very detailed. Thus they discuss recruitments in terms of numbers, the specific access of agents to information, recruitment techniques, and so forth. By the time all this sensitive material on sources and methods is removed, any samples are going to consist primarily of disconnected bits and pieces or of unenlightening generalizations.

And I have a third problem with this request. The reports themselves are but one part of a very complex and thorough process we use for internal management. It takes a detailed familiarity with the process to appreciate its effectiveness. Thus, I feel strongly that someone from the Agency who has that intimate knowledge should be present if and when you want to consider the reports.

DCI BUSH
TESTIMONY
House appropriations
Committee